



October 31, 2014

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## Reasons for Non-disclosure of 2nd Third-Party Committee's Interim Report

Universal Entertainment Corporation (hereinafter referred to as the "Company") received an interim report from the 2nd Third Party Committee on March 18, 2014 as notified in "Announcement on the 2nd Third Party Committee's investigation results" dated May 16, 2014.

The 2nd Third-Party Committee conducted an investigation into the causes to determine, among other issues, where responsibility lies. Based on its conclusions, and as notified in "Notice of Criminal Charges" dated June 24, 2014, the Company filed criminal charges on May 29, 2014 with the Tokyo District Public Prosecutors Office against a former employee of our group in relation to the outgo of \$30 million in total in 2010.

The interim report naturally pertains to the criminal liability of certain individuals, the Company has not received any notification from the investigating authorities indicating whether or not they intend to prosecute in relation to the charges filed, and the investigation into the incident is not yet complete. We therefore believe that disclosing the interim report (including by preparing and disclosing a summarized version) would be inappropriate at this stage, given the possibility that such disclosure could cause obstructions to the investigation and from the perspective of protecting the privacy of those involved, etc. We thus refrained from disclosing the report because, as noted in an announcement dated May 16, 2014, "it was not supposed to be disclosed before the authorities started investigation." We continue to abstain from disclosing the interim report as of this time and intend to keep in undisclosed for the time being. As we intend to decide on whether or not to disclose the interim report with reference to the progress of the investigation ahead, we are unable to provide any concrete indication of whether or not we will actually disclose the report and when that could occur if at all, but we intend to issue a notification as soon as we decide on our course of action.

Further, we intend to regard the investigation by our 2nd Third-Party Committee as completed upon the submission of the interim report. In our announcement of May 16, 2014, we stated that we "hope to determine as soon as possible our policy on how to deal with the 2nd Third-Party Committee," and we intend to make a formal decision in this regard with reference to the progress of the authorities' investigation as it unfolds. We plan to issue a notification as soon as a decision is reached.

We note that the Japan Federation of Bar Associations' "Guidelines for Third-Party Committees into Corporate and Other Misconduct" stipulate as follows in Section 2 (Guiding Principles), subsection 1-2 "Principles related to accountability (principles related to disclosure of investigation reports)": "(3) If a corporate or other entity decides not to disclose all or part of an investigation report, the entity must disclose the reason(s) for that decision. The reason(s) for non-disclosure must be specific; e.g., possible reasons include that disclosure could cause obstructions to investigations by a public body or that disclosure is being withheld to protect the privacy of persons involved or to protect trade secrets." The Company's decision not to disclose is thus in accordance with these guidelines.